

Connecticut Community Action Partnerships that work. Results that matter.

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March 16, 2010 Public Hearing Testimony before the Connecticut General Assembly Energy and Technology Committee

Raised S.B. No. 460: AN ACT CONCERNING LOW-INCOME ENERGY RATES.

Chairman Fonfara, Chairwoman Nardello, distinguished Vice-Chairpersons and Ranking Members, and honorable members of the Energy and Technology Committee:

My name is Edith Pollock Karsky. I am the Executive Director of the Connecticut Association for Community Action (CAFCA). CAFCA is the state association for Connecticut's twelve (12) Community Action Agencies—or "CAAs"—which serve all 169 towns and cities in the state.

We strongly support Raised Senate Bill 460: AN ACT CONCERNING LOW-INCOME ENERGY RATES, which would establish a low-income discount rate for gas and electric customers.

As Connecticut's network of federally-designated anti-poverty agencies, CAFCA is deeply troubled by the staggering affordability gap plaguing our state's low- and moderate- income families and obstructing their progress toward self-sufficiency. January data from Operation Fuel show that more than 56,000 households in Connecticut have home energy bills that are on average more than \$2,550 over what those households can afford. Statewide, the total of such bills exceeds affordability by about \$585 million... *every year*. This is in part why Connecticut's community action agencies receive daily calls and visits from what have been dubbed the "new poor," desperate families who have never before needed our assistance.

Statewide, CAAs perform weatherization services and provide energy assistance to help struggling families minimize and cover their home energy costs. Last year alone, nearly 15,000 low-income households in our state earned matching dollars to pay their heating costs. Our programs helped more than 95,000 households avoid losing their heat—or more. And our intervention helped more than 17,000 households reconcile outstanding issues with their fuel vendors. Additionally, with federal stimulus weatherization funds finally making their way to our network, our programs are up and running, making unparalleled levels of weatherization savings available to families throughout Connecticut.

However, the simple fact of the matter is that standard gas and electric rates—and Connecticut has some of the highest rates in the country—constitute an *avoidable* barrier to many families achieving self-sufficiency and participating more productively in our state economy. Connecticut's standard rates take a disproportionate toll on the families we serve. For example, Operation Fuel's data reveal that Connecticut's 50,000 poorest households spend more than 85% of their annual income on their home energy bills. This precludes family savings; limits spending on other essential items such as food, health care, and housing; and

leads to families using dangerous shortcuts in an attempt to live within their very limited means.

As the legislation before you states, energy needs are indeed essential. The status quo effectively penalizes those of our neighbors who are the most vulnerable and the least able to afford their home energy needs. Those struggling families are getting kicked while they're down. It's not fair; it's not right; and it's not the way things have to be in our great state. With this committee's leadership, the General Assembly and Governor Rell can pass this legislation and help relieve those families of their crushing burden—a burden that's hurting them directly, and preventing other savings and spending so critical to our state's economic recovery.

Community action's programs, including weatherization and energy assistance, work to remove barriers to self-sufficiency, so we applaud this committee's efforts and thank you for initiating this timely legislation, which begins to incorporate the discount rate principles discussed by work groups of the Low Income Energy Advisory Board. On behalf of hundreds of thousands of struggling families throughout our state, we hope the committee will issue a swift favorable report, and we urge the whole General Assembly to follow your lead. Again, thank you. I would be happy to take your questions.